

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 12/11/89

[redacted] after agreeing to cooperate in the investigation of procurement fraud at the department of defense, was interviewed regarding his illegal activity while employed at [redacted] New York.

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The interviews were conducted over a period of 2/22/89 through 9/29/89, and the following Federal Bureau of Investigation (FBI), Naval Investigative Service (NIS), and Defense Criminal Investigative Service (DCIS) agents participated at different times in the interviews:

2/22/89

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2/23/89

2/25/89

2/26/89

2/27/89

2/28/89

3/6/89

3/7/89

3/10/89

3/14/89

2/22/89
2/23/89
2/25/89
2/26/89
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2/28/89
3/6/89
3/7/89
3/10/89
3/14/89

2/22/89 to Alexandria, Virginia and
Investigation on 9/29/89 at New York, New York File # WMFO 58A-2151 Sub F

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FEDERAL BUREAU OF INVESTIGATION (FBI)

[redacted] Naval Investigative Service (NIS), and [redacted]

[redacted] DCIS.

by

Date dictated

12/11/89

[redacted] said that [redacted] in the conversation, was tracing back from an Air Force document or from the latest PEM (Program Element Memorandum) from Langley. [redacted] said that [redacted] wanted to take what the Air Force wanted, and get money put in earlier to lower the price.

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MMLS (Mobile Microwave Landing System)

MMLS is the final component, along with the radar and Op shelter, for the MPNXX. On the MMLS, The initial interested companies were Thomson CSF, which had a working Wilcox system in Connecticut, and Hazeltine. [redacted] said that Hazeltine's MLS for the FAA was a "disaster".

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Originally, Hazeltine won a microwave landing system (MLS) contract from the FAA. Wilcox had competed and lost. Then a procurement for an MLS came out as part of the Air Force's MPNXX program. MPNXX had three components: surveillance approaching equipment (a radar), a communications system (op shelter) and a close-in landing approach system. This landing approach system was the Mobile MLS (MMLS). The Air Force had all of these together for rapid deployment. The value of the system was projected to be in the billions.

[redacted] stated that [redacted] who had met the French, wanted to bid on the MMLS, partly because there was pressure from Thomson CSF on [redacted] and partly because [redacted] believed there was a large market in which Unisys would be successful. [redacted] said that [redacted] had initially not wanted the company to bid on MMLS because there would be so little in-house work involved. However, [redacted] did an about face on bidding it.

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Sperry/Unisys teamed with Thomson CSF, which then bought out Wilcox. Sperry/Unisys tried to get a bid out of the "house," meaning the company. [redacted] said he was thrown out by [redacted] as the result of a meeting he had with [redacted]. [redacted] said he believed this meeting took place on October 9, 1987. This was the same day that he requested [redacted] approval for expanding Armtec.

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[redacted] objection to the MLS bid was that there was not enough in-house work on it. [redacted] input was that Hazeltine would win the program because the FAA would not want to use two different companies. [redacted] thought that the Air Force and FAA would want two contractors for the MMLS, and that the design would not be Hazeltine's. In addition, [redacted] was interested in the integration work.

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[redacted] said that [redacted] had worked on MMLS, and would have worked on getting the price down. [redacted] said that the comptroller at McLean would have been in charge of the pricing group. [redacted] said that [redacted] reported to that comptroller,

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whose name [redacted] did not remember. [redacted] recalled that the name was Irish and started with "M."

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Unisys did submit a bid on MMLS to ESD. [redacted] left the company, and later learned that Bell (the company) had submitted a bid, and was the low bidder. Unisys' initial bid was about \$23 or 24 million. [redacted] said that he left the company before the BAFO was submitted, but that [redacted] had known [redacted] the competitor, had bid under \$18 million. In order to win, according to [redacted] Sperry needed to drop its price to \$15 million. The French (Thomson CSF) agreed to swallow the extra cost (price reduction) as they were so interested in the market. [redacted] added that he knew [redacted] of Thomson CSF, and he could have told [redacted] just like he could have told [redacted] to come in at a certain price.

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[redacted] had told [redacted] that Unisys needed a price under \$20 million; the budget was \$25 million. For the first bid, [redacted] wanted to get an idea of the price acceptable, and [redacted] said that \$25 million was the top price. On the second set of numbers, Unisys bid \$23 million and [redacted] came in at \$18 to 19 million. [redacted] told [redacted] what [redacted] bid had been. [redacted] believed that the final BAFO went in after 6/14/88, and he did not know what price Unisys submitted.

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[redacted] said that Unisys looked at whether they could get [redacted] technically disqualified. [redacted] had Trident programs, and [redacted] knew this. He was trying to get [redacted] disqualified on MMLS due to their lack of capability on Trident. [redacted] thought that would be a bad idea.

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[redacted] (THOMPSON CSF)

[redacted] of Thomson CSF donated money for the golf outing, and [redacted] arranged for [redacted] to meet with [redacted] went alone to see [redacted] was also going to have a meeting with [redacted]

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[redacted] of Thomson CSF was brought up to see [redacted] at the Air Force. This was arranged by Unisys. [redacted] along with [redacted] had visited Thomson's plant in France, during 1986. During this same visit [redacted] was in Switzerland with [redacted] was at the Plaza Athene in Paris, and this was the bill [redacted] later had to settle. [redacted] said that [redacted] had his whole operation, including [redacted] going "full blast" on the program at Langley and elsewhere.

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[redacted] said that (possibly at Langley) [redacted] on behalf of Unisys, got some specs changed, though he did not think they had to do anything wrong.